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UNITED STATES PATENT AND TRADEMARK OFFICE

BEFORE THE PATENT TRIAL AND APPEAL BOARD

Ex parte BRENDON ISHIKAWA

Appeal 2018-007639
Application 14/093,375
Technology Center 3600

Before MICHAEL C. ASTORINO, BRADLEY B. BAYAT, and AMEE A. SHAH, *Administrative Patent Judges*.

SHAH, *Administrative Patent Judge*.

DECISION ON APPEAL

STATEMENT OF THE CASE

Pursuant to 35 U.S.C. § 134(a), the Appellant[1] appeals from the Examiner's final decision to reject claims 1–4, 6, 7, and 14–24. The Appellant appeared for Oral Argument on June 4, 2020. We have jurisdiction under 35 U.S.C. § 6(b).

We AFFIRM.

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[1] We use the word "Appellant" to refer to "applicant" as defined in 37 C.F.R. § 1.42. The Appellant identifies inventor Brendon Ishikawa as the real party in interest. Appeal Br. 5.

CLAIMED SUBJECT MATTER

The Appellant's invention "relates to valuating civil legal cases and disputes, and more particularly, to computer-implemented systems and methods for valuating civil legal cases and disputes." Spec. ¶ 1.

Claims 1 and 14 are the independent claims. Claim 1 is illustrative of the subject matter on appeal and is reproduced below (with added bracketing for reference):

> 1. A computer implemented method, comprising:
>
> [(a)] communicating over a data or internet connection between two or more users collaborating on civil legal case valuation, wherein all users can provide input into the computations;
>
> [(b)] generating a decision tree for the flow of litigation to possible outcomes based on whether the valuation pertains to a case before judgment, after judgment, or for the entirety of a case before and after judgment, wherein the type of case is identified by data input from a user device or server;
>
> [(c)] computing a valuation for each outcome resulting from issues of law terminating the litigation based on input-specified percentage odds of prevailing and dollar amounts expected to be gained or lost in the scope of attorney fees and costs relating to issues of law;
>
> [(d)] adjusting the valuation of each outcome for issues of law branches by adding input-specified expense of attorney fees and costs expended on establishing or defeating the legal viability of claims, and optionally further adjusting based on whether attorney fees and costs are reciprocal, one-way shifting, or not subject to any shifting;
>
> [(e)] computing the valuation for each outcome resulting from questions of fact resolving issues related to witness credibility, document authenticity, relative weights of evidence, and other strength or weakness of the evidentiary proof, including high, low, and optionally any additional applicable estimates of money damages;

> [(f)] adjusting the valuation of each outcome for questions of fact to account for input-specified expense of attorney fees and costs expended to prove or disprove factual claims, and optionally further adjusting based on whether attorney fees and costs are reciprocal, one-way shifting, or not subject to any shifting; and
>
> [(g)] computing the final expected value as the sum of expected, adjusted values of all possible outcomes.

Appeal Br. 47 (Claims App.).

REFERENCES

The prior art relied upon by the Examiner is:

Name	Reference	Date
Derry et al. ("Derry")	US 2005/0203814 A1	Sept. 15, 2005
Biederman Sr., et al. ("Biederman")	US 2005/0240578 A1	Oct. 27, 2005
Porter et al.	US 2014/0058960 A1	Feb. 27, 2014

REJECTIONS

Claims 1–4, 6, 7, and 14–24 stand rejected under 35 U.S.C. § 112(b) as being indefinite.

Claims 1–4, 6, 7, and 14–24 stand rejected under 35 U.S.C. § 101 as being directed to a judicial exception without significantly more.

Claims 1, 2, 4, 6, 14, 15, 17–19, and 21–24 stand rejected under 35 U.S.C. § 103 as being unpatentable over Porter.

Claims 3 and 16 stand rejected under 35 U.S.C. § 103 as being unpatentable over Porter and Biederman.

Claims 7 and 20 stand rejected under 35 U.S.C. § 103 as being unpatentable over Porter and Derry.

OPINION

35 U.S.C. § 112(b) – Indefiniteness[2]

The Examiner rejects independent claims 1 and 14 (and thus also their dependent claims) under 35 U.S.C. § 112(b) because the phrase "other strength or weakness of the evidentiary proof, including high, low, and . . . any additional applicable estimates" is confusing and renders the scope of the claims unclear. Final Act. 2 (emphasis omitted). Specifically, the Examiner finds

> [t]he terms "strength or weakness", "high or low" are not defined by the claim, the Specification does not provide a standard for ascertaining the requisite degree, and one of ordinary skill in the art would not be reasonably apprised of the scope of the invention. Specifically, it is not clear how strong or weak the evidentiary proof would need to be in order to infringe the claimed invention.

Ans. 24 (emphasis omitted). The Examiner thus finds that the boundaries of the claims are unknown and "the language is vague and unclear." *Id.* at 24–25. Conversely, the Appellant argues that one of ordinary skill in the art would understand the terms. *See* Appeal Br. 35; Reply Br. 9.

Claims 1 and 14 recite limitation (e) of "computing the valuation for each outcome resulting from questions of fact resolving issues related to witness credibility, document authenticity, relative weights of evidence, and other strength or weakness of the evidentiary proof, including high, low, and optionally any additional applicable estimates of money damages." Appeal Br. 47–49 (Claims App.). Although the Specification provides specific definitions for a number of terms (*see* Spec. ¶¶ 11–32), there are no

[2] The rejections are addressed in the order presented in the Final Action.

definitions or examples provided for the strength or weakness of evidentiary proof or for high or low damages.

The Appellant's argument that one of ordinary skill in the art would understand the terms because they are "well-known and universally used metrics of trial attorneys—high, low, and most likely damages—and reflects that these are determined by the evidentiary strength or weakness of the evidence" (Appeal Br. 35) is not adequately supported. In the Reply Brief, the Appellant introduces new evidence into the record of the non-patent literature Dwight Golann, *Mediating Legal Disputes: Effective Strategies for Neutrals and Advocates* at 163 (ABA 2009) for providing specific numerical values for a good chance of avoiding liability, a most likely award, and a high award. Reply Br. 9. However, "[a] reply brief shall not include any new or non-admitted amendment, or any new or non-admitted affidavit or other Evidence." 37 C.F.R. 41.41(b)(1). Even were we inclined to review this new evidence, the Appellant does not submit the evidence but merely quotes the book. Without having the evidence, we cannot review and assess its contents. Thus, it is not clear that one of ordinary skill in the art would readily understand, based on the claim in light of the Specification, what values for the strength, weakness, high, and low factors are claimed.

Based on the foregoing, we sustain the indefiniteness rejection of the independent claims 1 and 14, and of the associated dependent claims, on the basis discussed above.

Patentable Subject Matter

35 U.S.C. § 101 Framework

A. Section 101

An invention is patent-eligible if it claims a "new and useful process, machine, manufacture, or composition of matter." 35 U.S.C. § 101. However, the U.S. Supreme Court has long interpreted 35 U.S.C. § 101 to include implicit exceptions: "[l]aws of nature, natural phenomena, and abstract ideas" are not patentable. *E.g.*, *Alice Corp. v. CLS Bank Int'l*, 573 U.S. 208, 216 (2014).

In determining whether a claim falls within an excluded category, we are guided by the Court's two-part framework, described in *Mayo* and *Alice*. *Id.* at 217–18 (citing *Mayo Collaborative Servs. v. Prometheus Labs., Inc.*, 566 U.S. 66, 75–77 (2012)). In accordance with that framework, we first determine what concept the claim is "directed to." *See Alice*, 573 U.S. at 219 ("On their face, the claims before us are drawn to the concept of intermediated settlement, *i.e.,* the use of a third party to mitigate settlement risk."); *see also Bilski v. Kappos*, 561 U.S. 593, 611 (2010) ("Claims 1 and 4 in petitioners' application explain the basic concept of hedging, or protecting against risk.").

Concepts determined to be abstract ideas, and thus patent ineligible, include certain methods of organizing human activity, such as fundamental economic practices (*Alice*, 573 U.S. at 219–20; *Bilski*, 561 U.S. at 611); mathematical formulas (*Parker v. Flook*, 437 U.S. 584, 594–95 (1978)); and mental processes (*Gottschalk v. Benson*, 409 U.S. 63, 67 (1972)). Concepts determined to be patent eligible include physical and chemical processes, such as "molding rubber products" (*Diamond v. Diehr*, 450 U.S. 175, 191

(1981)); "tanning, dyeing, making water-proof cloth, vulcanizing India rubber, smelting ores" (*id.* at 182 n.7 (quoting *Corning v. Burden*, 56 U.S. 252, 267–68 (1853))); and manufacturing flour (*Benson*, 409 U.S. at 69 (citing *Cochrane v. Deener*, 94 U.S. 780, 785 (1876))).

In *Diehr*, the claim at issue recited a mathematical formula, but the Court held that "a claim drawn to subject matter otherwise statutory does not become nonstatutory simply because it uses a mathematical formula." *Diehr*, 450 U.S. at 187; *see also id.* at 191 ("We view respondents' claims as nothing more than a process for molding rubber products and not as an attempt to patent a mathematical formula."). Having said that, the Court also indicated that a claim "seeking patent protection for that formula in the abstract . . . is not accorded the protection of our patent laws, and this principle cannot be circumvented by attempting to limit the use of the formula to a particular technological environment." *Id.* (citation omitted) (citing *Benson* and *Flook*); *see, e.g.*, *id.* at 187 ("It is now commonplace that an *application* of a law of nature or mathematical formula to a known structure or process may well be deserving of patent protection.").

If the claim is "directed to" an abstract idea, we turn to the second step of the *Alice* and *Mayo* framework, where "we must examine the elements of the claim to determine whether it contains an 'inventive concept' sufficient to 'transform' the claimed abstract idea into a patent-eligible application." *Alice*, 573 U.S. at 221 (quotation marks omitted). "A claim that recites an abstract idea must include 'additional features' to ensure 'that the [claim] is more than a drafting effort designed to monopolize the [abstract idea].'" *Id.* (alterations in original) (quoting *Mayo*,

566 U.S. at 77). "[M]erely requir[ing] generic computer implementation[] fail[s] to transform that abstract idea into a patent-eligible invention." *Id.*

B. USPTO Section 101 Guidance

In January 2019, after the Appellant's Briefs were filed and the Examiner's Answer mailed, the U.S. Patent and Trademark Office (USPTO) published revised guidance on the application of § 101. 2019 Revised Patent Subject Matter Eligibility Guidance, 84 Fed. Reg. 50 (Jan. 7, 2019) ("2019 Revised Guidance").[3] "All USPTO personnel are, as a matter of internal agency management, expected to follow the guidance." *Id.* at 51; *see also* October 2019 Update at 1. The 2019 Revised Guidance, by its terms, applies to all applications, and to all patents resulting from applications, filed before, on, or after January 7, 2019. 84 Fed. Reg. at 50.[4]

Under the 2019 Revised Guidance and the October 2019 Update, we first look to whether the claim recites:

> (1) any judicial exceptions, including certain groupings of abstract ideas (i.e., mathematical concepts, certain methods of organizing

[3] In response to received public comments, the Office issued further guidance on October 17, 2019, clarifying the 2019 Revised Guidance. USPTO, *October 2019 Update: Subject Matter Eligibility* (the "October 2019 Update") (available at https://www.uspto.gov/sites/default/files/documents/peg_oct_2019_update.pdf).

[4] The 2019 Revised Guidance supersedes MPEP § 2106.04(II) and also supersedes all versions of the USPTO's "Eligibility Quick Reference Sheet Identifying Abstract Ideas." *See* 2019 Revised Guidance, 84 Fed. Reg. at 51 ("Eligibility-related guidance issued prior to the Ninth Edition, R-08.2017, of the MPEP (published Jan. 2018) should not be relied upon."). Thus, the Appellant's arguments related to prior guidance (*see, e.g.*, Appeal Br. 19–25; Reply Br. 4–5) will not be considered.

> human activity such as a fundamental economic practice, or mental processes) ("Step 2A, Prong One"); and
>
> (2) additional elements that integrate the judicial exception into a practical application (*see* MPEP § 2106.05(a)–(c), (e)–(h) (9th ed. Rev. 08.2017, Jan. 2018)) ("Step 2A, Prong Two").[5]

2019 Revised Guidance, 84 Fed. Reg. at 52–55.

Only if a claim (1) recites a judicial exception and (2) does not integrate that exception into a practical application, do we then look, under Step 2B, to whether the additional elements, individually or in combination, provide an inventive concept. *Id.* Among the considerations in determining whether the additional elements, individually or in combination, amount to significantly more than the exception itself, we look to whether they: (3) add a specific limitation beyond the judicial exception that is not "well-understood, routine, conventional" in the field (*see* MPEP § 2106.05(d)); or (4) simply append well-understood, routine, conventional activities previously known to the industry, specified at a high level of generality, to the judicial exception. *Id.* at 52–56.

Failure to Apply the Mayo/Alice Framework

We first address the Appellant's arguments that the Examiner fails to make a prima facie case and fails to follow Federal Circuit "guidance."

[5] This evaluation is performed by (a) identifying whether there are any additional elements recited in the claim beyond the judicial exception, and (b) evaluating those additional elements individually and in combination to determine whether the claim as a whole integrates the exception into a practical application. *See* 2019 Revised Guidance - Section III(A)(2), 84 Fed. Reg. 54–55.

Appeal Br. 8–10; *see also* Reply Br. 1–2. We are not persuaded of Examiner error by these arguments.

Here, the Examiner applies the Supreme Court's two-step framework, described in *Mayo* and *Alice*, and considers Federal Circuit jurisprudence and USPTO guidelines (in effect at the time) in that application. *See* Final Act. 3–14; Ans. 14–24. Specifically, the Examiner notifies the Appellant to what abstract idea the Examiner considers the claims recite and why the claims are directed to that abstract idea. *See* Final Act. 3–5; Ans. 4–7. The Examiner further considers the claimed elements individually and as an ordered combination and notifies the Appellant why the claims do not provide an inventive concept that transforms the abstract idea into a patent-eligible invention. *See* Final Act. 5–7; Ans. 7–11. Thus, the Examiner has notified the Appellant of the reasons for the rejection in a sufficiently articulate and informative manner as to meet the notice requirement of 35 U.S.C. § 132. *See In re Jung*, 637 F.3d 1356, 1362 (Fed. Cir. 2011).

Step One of the Mayo/Alice Framework

Under the first step of the *Mayo*/*Alice* framework, the Examiner determines that independent "[c]laim 1 recites a method of computing the final expected value as the sum of expected, adjusted values of all possible outcomes of litigation, said outcomes including terminating the litigation, adjusting the valuation of each outcome for various fees, costs interests, discounts, and estimates of money damages," which is a "method [that] simply describes the concept of gathering, combining and outputting data by reciting steps *of communicating, generating, computing, and adjusting data*." Final Act. 3. The Examiner characterizes this as "similar to the basic concept of manipulating information using mathematical relationships . . .,

which has been found by the courts to be an abstract idea" (*id.* at 3–4) that can be performed mentally (Ans. 5). When viewed through the lens of the 2019 Revised Guidance, the Examiner's analysis depicts the claimed subject matter as a "[m]ental process[]—[a] concept[] performed in the human mind (including an observation, evaluation, judgment, opinion)" under Prong One of Revised Step 2A. 84 Fed. Reg. at 52 (footnote omitted).

The Examiner further determines that the elements of the claim do not recite an improvement to technology (Final Act. 5; *see also* Ans. 6–7), that "the recited steps represent implementing the abstract idea on a generic computer, or 'reciting a commonplace business method aimed at processing business information despite being applied on a general purpose computer'" (Final Act. 6 (citations omitted); *see also* Ans. 7, 9–10), and that "there is no transformation recited in the claim as understood in view of 35 USC 101" (Final Act. 6). When viewed through the lens of the 2019 Revised Guidance, Prong Two of Revised Step 2A, the Examiner's determinations indicate that the claim's additional elements do not integrate the judicial exception into a practical application because they "merely use[] a computer as a tool to perform an abstract idea." 84 Fed. Reg. at 52.

The Appellant contends that "[t]he claimed invention does not fall into any of the categories of abstract ideas set forth by the United States Supreme Court," that the Appellant characterize as "(1) something that could 'be performed in the human mind, or by a human using a pen and paper,' (2) 'fundamental economic practices long prevalent,' (3) methods of organizing human activity, or (4) mathematical formulas." Appeal Br. 10 (emphases omitted) (quoting *Zak v. Facebook, Inc.*, 206 F. Supp. 3d 1262

(E.D. Mich. 2016) [6]). The Appellant also argues that the claim recites "a technological solution to geographically distributed negotiations with more than one user and which can produce a legally enforceable product." Appeal Br. 10. When viewed through the lens of the 2019 Revised Guidance, the Appellant argues that claim 1 does not recite an abstract idea under Prong One of Step 2A, and that the claim "integrate[s] a judicial exception into a practical application" because it includes elements that "reflect[] an improvement in the functioning of a computer, or an improvement to other technology or technical field" under Prong Two of Step 2A. 84 Fed. Reg. at 52, 55.

We first determine to what claim 1 is directed. The Federal Circuit has explained that "the 'directed to' inquiry applies a stage-one filter to claims, considered in light of the specification, based on whether 'their character as a whole is directed to excluded subject matter.'" *Enfish, LLC v. Microsoft Corp.*, 822 F.3d 1327, 1335 (Fed. Cir. 2016) (quoting *Internet Patents Corp. v. Active Network, Inc.*, 790 F.3d 1343, 1346 (Fed. Cir. 2015)). It asks whether the focus of the claim is on a specific improvement in relevant technology or on a process that itself qualifies as an "abstract idea" for which computers are invoked merely as a tool. *See id.* at 1335–36. Here, it is clear from the Specification, including the claim language, that claim 1 is directed to an abstract idea, and does not focus on any improvement to technology and/or a technical field.

[6] We note that we are not bound by this non-precedential decision of a judicial tribunal that is not our reviewing court.

Reciting a Judicial Exception

The Specification provides for "VALUATION OF CIVIL LEGAL CASES AND DISPUTES." Spec., Title. In the "Field of Invention" section, the Specification discusses that "[t]he present disclosure relates to valuating civil legal cases and disputes, and more particularly, to computer-implemented systems and methods for valuating civil legal cases and disputes." *Id.* ¶ 1. In the "Description of Related Art" section, the Specification discusses that despite challenges in evaluating the economic impacts of possible outcomes in civil legal actions, "parties are compelled at least to guess about case valuation in order to determine whether to file, settle, settle in part, abandon, or continue with the litigation." *Id.* ¶¶ 6–7. To provide "valuation of a case," most attorneys "rely on hunches, anecdotes, personal history, and speculation" and use "vague estimates [as a] substitute for any logical process to determine the present value of a case." *Id.* ¶ 7. Thus, "there is a great need to determining the value of a civil legal case on appeal." *Id.* The invention addresses this need by providing "a system and computer implemented process for determining the value of a civil legal case without requiring a legal education, degree in finance, or advanced mathematics skills" (*id.*) and "a tool for rational, visual, quantitative analysis of what a civil legal case is worth" (*id.* ¶ 9). By doing so, the invention "eliminates probability theory pitfalls, such as that which occur by dividing the litigation into separate hearings or motions, even though the probable outcomes of most hearings and motions have high correlation to each other." *Id.* Specifically, the invention uses a decision-tree analysis. *Id.* ¶ 10.

Consistent with this disclosure, claim 1 recites "[a] computer-implemented method, comprising:" the steps of (1) communicating over a data or internet network, i.e.,

> (a) communicating over a data or internet connection between two or more users collaborating on civil legal case valuation, wherein all users can provide input into the computations;

(2) generating a decision tree, i.e.,

> (b) generating a decision tree for the flow of litigation to possible outcomes based on whether the valuation pertains to a case before judgment, after judgment, or for the entirety of a case before and after judgment, wherein the type of case is identified by data input from a user device or server;

(3) computing valuations for each outcome resulting from an action, i.e.,

> (c) computing a valuation for each outcome resulting from issues of law terminating the litigation based on input-specified percentage odds of prevailing and dollar amounts expected to be gained or lost in the scope of attorney fees and costs relating to issues of law; and
>
> (e) computing the valuation for each outcome resulting from questions of fact resolving issues related to witness credibility, document authenticity, relative weights of evidence, and other strength or weakness of the evidentiary proof, including high, low, and optionally any additional applicable estimates of money damages;

(4) adjusting the valuations, i.e.,

> (d) adjusting the valuation of each outcome for issues of law branches by adding input-specified expense of attorney fees and costs expended on establishing or defeating the legal viability of claims, and optionally further adjusting based on whether attorney fees and costs are reciprocal, one-way shifting, or not subject to any shifting; and
>
> (f) adjusting the valuation of each outcome for questions of fact to account for input-specified expense of attorney fees and costs expended to prove or disprove factual claims, and optionally

> further adjusting based on whether attorney fees and costs are reciprocal, one-way shifting, or not subject to any shifting; and

(5) adding the adjusted values, i.e.,

> (g) computing the final expected value as the sum of expected, adjusted values of all possible outcomes.

Although the preamble states the method is "computer-implemented," none of the functions are recited as being performed by a computer. The Specification describes a generic computing device as capable of performing the claimed functions. *See* Spec. ¶¶ 60–62, Fig. 1.

When considered collectively and under the broadest reasonable interpretation of the claim's limitations, the claim recites a method for valuating civil legal cases and disputes by generating a tree and performing computations.[7] Limitations (b) through (f) of generating a decision tree, computing the valuations, and adjusting the valuations are functionally recited without any detail regarding how the results are accomplished, i.e., in what way(s) technologically or by what algorithm, and can all be performed mentally and manually.

Valuating civil legal cases and disputes is similar to the concepts of personal management, resource planning, and forecasting in *In re Downing*, 754 F. App'x 988, 993 (Fed. Cir. 2018), collecting, analyzing, and displaying the results in *Elec. Power Grp., LLC v. Alstom S.A.*, 830 F.3d 1350, 1354 (Fed. Cir. 2016), and of calculating, analyzing, and displaying investment data to aid in forecasting the behavior of financial markets in

[7] We note that "[a]n abstract idea can generally be described at different levels of abstraction." *Apple, Inc. v. Ameranth, Inc.*, 842 F.3d 1229, 1240 (Fed. Cir. 2016). The Board's "slight revision of its abstract idea analysis does not impact the patentability analysis." *Id.* at 1241.

SAP Am., Inc. v. InvestPic, LLC, 898 F.3d 1161, 1163–67 (Fed. Cir. 2018). Accordingly, we conclude the claim recites a way of valuating civil legal cases and disputes, which is a concept performed in the human mind, i.e., a mental process as identified in the 2019 Revised Guidance (84 Fed. Reg. at 52), as well as a method of organizing human activity of the fundamental economic practice of legal interactions (*id.*) and thus, an abstract idea. As such, we disagree with the Appellant's contentions that the claim does not recite an abstract idea (*see* Appeal Br. 10–11) and that "[t]he Examiner has parsed the claimed invention in a manner that violates even the *Alice* Court's concerns" (*id.* at 16 (bolding omitted); *see also id.* at 17; Reply Br. 4).

We further disagree that the claim does not recite a mental process because "[a] person cannot perform the claimed invention with his or her mind because it necessarily involves negotiations between multiple people and communications among them via technology that cannot simply be calculated alone. Indeed, distributed multi-party negotiation is the antithesis of a single-person mental calculation." Appeal Br. 11. We note that the claim does not recite any step of negotiating, but merely recites users communicating over a generically claimed data or internet connection to collaborate and provide input. *See id.* at 47 (Claims App.). Communicating over a network is itself an abstract idea. *See ChargePoint, Inc. v. SemaConnect Inc.*, 920 F.3d 759, 766 (Fed. Cir. 2019) ("communicating requests to a remote server and receiving communications from that server, i.e., communication over a network" is an abstract idea), *and Cellspin Soft, Inc. v. Fitbit, Inc.*, 927 F.3d 1306, 1315 (Fed. Cir. 2019) ("capturing and transmitting data from one device to another" is an abstract idea), *cert. denied sub nom. Garmin USA, Inc. v. Cellspin Soft, Inc.*, 140 S. Ct. 907

(2020). To the extent the communication obtains data, this is an extra-solution activity. *See In re Bilski*, 545 F.3d 943, 963 (Fed. Cir. 2008) (en banc) (characterizing data gathering steps as insignificant extra-solution activity), *aff'd sub nom. Bilski v. Kappos*, 561 U.S. 593.

The claim does not provide details on how the steps are performed such that they would be so complicated that the human mind cannot perform them. The Specification discusses that generating a tree involves processing data from a query to determine nodes. *See* Spec. ¶¶ 62, 106, Fig. 10 ("1002"). Computing values for each issue of law and question of fact involves the multiplication of odds by dollar value of outcome. *See id.* ¶¶ 67, 68, 70–73, Fig. 10 ("1004", "1012"). Adjusting those values involves changing the numerical fee values, for example to zero or double, or adding other fees and costs. *See id.* ¶¶ 66, 67, 108–110, 112–114, Fig. 10 ("1008", "1010", "1014", "1016", "1018"). As such, we find that the limitations of generating a decision tree, computing valuations, adjusting those valuations, and summing the adjusted valuations comprise analyses and mathematical computations that can practically be performed in the human mind. *See Elec. Power Grp.*, 830 F.3d at 1354 ("[W]e have treated analyzing information by steps people go through in their minds, or by mathematical algorithms, without more, as essentially mental processes . . . .").

Having concluded that claim 1 recites a judicial exception, i.e., an abstract idea, in determining whether the claim is directed to this abstract idea, we next consider whether the claim recites additional elements that integrate the judicial exception into a practical application.

Integration into a Practical Application

Under Step 2A, Prong Two of the 2019 Revised Guidance, 84 Fed. Reg. at 54, we look to whether the claims "apply, rely on, or use the judicial exception in a manner that imposes a meaningful limit on the judicial exception, such that the claim is more than a drafting effort designed to monopolize the judicial exception," i.e., whether the claim "integrates a judicial exception into a practical application." Here, the only additional elements recited in claim 1 beyond the abstract idea are the "data or internet connection," and "a user device or server" — elements that, as the Examiner observes (*see* Ans. 7), are recited at a high level of generality and described in the Specification as generic computer elements. For example, the Specification discusses that the terms generating, computing, adjusting, and valuating "may refer to the action and processes of a computer system, or other electronic device, that process data represented as physical (electronic, magnetic, or optical) quantities within some electrical device's storage, transmission, or display devices." Spec. ¶ 59. The apparatus to perform the method "may comprise general-purpose computers selectively activated or reconfigured by computer program or code." *Id.* ¶ 60. The connection is a generic network. *Id.* ¶ 61, Fig. 1 ("106"). The user device ("102") "may be any computer, mobile electronic device, any device capable of transmitting and/or receiving data, or electronic display device with user input" and the server ("110") is a generic server. *Id.*

We find no indication in the Specification, nor does the Appellant direct us to any indication, that the operations recited in claim 1 require any specialized computer hardware or other inventive computer components, i.e., a particular machine, invoke any asserted inventive programming, or

that the claimed invention is implemented using other than generic computer components to perform generic computer functions. *See DDR Holdings, LLC v. Hotels.com, L.P.*, 773 F.3d 1245, 1256 (Fed. Cir. 2014) ("[A]fter *Alice*, there can remain no doubt: recitation of generic computer limitations does not make an otherwise ineligible claim patent-eligible.").

The Appellant contends that claim 1 recites "a technological solution to geographically distributed negotiations with more than one user and which can produce a legally enforceable product." Appeal Br. 10; *see also id.* at 11–15; Reply Br. 3, 5. The Appellant similarly argues that "[t]he claimed invention solves the current impossibility of decision tree valuation for civil appeals when one or more parties want to have simultaneous input into the valuation. Without the claimed invention it is currently not possible to negotiate civil case valuation with decision tree analysis except in face-to-face negotiations." Appeal Br. 21; *see also id.* at 19, 20, 22–25.[8] When viewed through the lens of the 2019 Revised Guidance, the Appellant contends that under Prong Two, the elements of the claim integrate the abstract idea into a practical application because the combination of the elements "reflects an improvement in the functioning of a computer, or an improvement to other technology or technical field." 84 Fed. Reg. at 55. We disagree.

The Appellant does not provide reasoning or evidence, and we do not see from the claim, how the limitations claim a technological solution to

[8] We acknowledge that some of these considerations may be properly evaluated under Step 2 of *Alice* (Step 2B of 2019 Revised Guidance). Solely for purposes of maintaining consistent treatment within the Office, we evaluate them under Step 1 of *Alice* (Step 2A of 2019 Revised Guidance). *See* 2019 Revised Guidance, 84 Fed. Reg. at 55.

computer-based problem, i.e., a solution "necessarily rooted in computer technology in order to overcome a problem specifically arising in the realm of computer networks." *DDR Holdings*, 773 F.3d at 1257; *cf.* Appeal Br. 12. As discussed above, and as the Examiner discusses (*see* Ans. 21), the invention addresses the challenge of "determining the value of a civil legal case without requiring a legal education, degree in finance, or advanced mathematics skills" (Spec. ¶ 7) and allows for users to collaborate remotely (*id.* ¶ 39). The problems of having appropriate information, i.e., information related to attorney fees and fee-shifting (*see* Appeal Br. 12) to make decisions or analyses/valuations without advanced skill or degrees, and communicating remotely are not ones "specifically arising in the realm of computer networks" (*DDR Holdings*, 773 F.3d at 1257), but are business problems that existed prior to computers and the Internet (such as by phone). *See* Spec. ¶¶ 4–8 (discussing existing problems regarding valuating cases).

Further, the purported solution comprises, at best, a generic computer operating in its ordinary and conventional capacity. *See supra*; *see also Alice*, 573 U.S. at 224–26. The Appellant does not contend that they invented any of those components or their basic functions or that those components, claimed generally, were unknown in the art as of time of the invention. *Affinity Labs of Tex., LLC v. Amazon.com Inc.*, 838 F.3d 1266, 1270 (Fed. Cir. 2016). The "focus" of the claim is not "on the specific asserted improvement in computer capabilities" (*Enfish*, 822 F.3d at 1336), but rather on using a computer to implement the abstract idea of determining civil litigation expenditures in the particular field of online communications. *See Alice*, 573 U.S. at 223 (holding that attempting to limit the use of an abstract idea to a particular technological environment does not make a

claim patent-eligible) (quoting *Bilski*, 561 U.S. at 610–11); *Affinity Labs of Tex., LLC v. DIRECTV, LLC*, 838 F.3d 1253, 1259 (Fed. Cir. 2016) ("merely limiting the field of use of the abstract idea to a particular existing technological environment does not render the claim[] any less abstract").

The Appellant's arguments that "the legally enforceable outcome removes the claimed invention from the realm of mere abstract ideas" (Appeal Br. 11–12) is also unpersuasive. The purported "distributed solution of the claimed invention [that] allows all parties to simultaneously collaborate on case valuation" (*id.* at 13) is simply communicating over a network. The Appellant does not contend to have improved the technical nature of communicating. Further, the Appellant does not, and cannot, claim to have invented the use of the network, user device, or sever itself. Any improvement in "adjust[ing] the final expected value according to additional input by the parties" is in the abstract idea, not to any technological improvement. Further, that "[t]he claimed invention dramatically improves on the accuracy of the civil case valuation when compared to the prior art" (Appeal Br. 12 (emphases omitted)) and that "each party can use the legally enforceable product of the claimed invention if the case goes to trial" (*id.* at 13–14) are unsupported arguments and would be improvements in the abstract idea, not to any technology. *See BSG Tech LLC v. Buyseasons, Inc.*, 899 F.3d 1281, 1287–88 (Fed. Cir. 2018).

Regarding the Appellant's references to *BASCOM Global Internet Services, Inc. v. AT&T Mobility LLC*, 827 F.3d 1341 (Fed. Cir. 2016) (*see* Appeal Br. 8–12, 14, 17–19; Reply Br. 1–6, 8), the Appellant does not show how the claim here is similar to *BASCOM*'s "particular arrangement of elements [that] is a technical improvement over prior art ways of filtering

such content" (827 F.3d at 1350). *See* Ans. 11–14. The patent at issue in *BASCOM* "claim[ed] a technology-based solution (not an abstract-idea-based solution implemented with generic technical components in a conventional way) to filter content on the Internet that overcomes existing problems with other Internet filtering systems." *Id.* at 1351. The court determined that "[b]y taking a prior art filter solution (one-size-fits-all filter at the ISP server) and making it more dynamic and efficient (providing individualized filtering at the ISP server), the claimed invention represents a 'software-based invention[ ] that improve[s] the performance of the computer system itself.'" *Id.* Here, there is no such improvement. Although the claim recites the structural element of a network and user device, as discussed above, there is no claimed technological improvement to this structure or arrangement of any structures. Any improvement in the lies in the abstract idea itself, i.e., valuation of civil legal cases.

We also disagree with the Appellant's contention that claim 1 is similar to USPTO guidance Examples 1 and 5 of the July 2015 Update on Subject Matter Eligibility Appendix 1 (July 30, 2015) ("July 2015 Examples") (*see* Appeal Br. 19–25) for reasons similar to the Examiner's (*see* Final Act. 8–9, 11–12; Ans. 18–19). The Appellant's Example 1 corresponds to hypothetical example "**21: Transmission of Stock Quote Data**," and the Appellant's Example 5 correspond to hypothetical example "**25. Rubber Manufacturing**." July 2015 Examples 1, 14.

Claim 1 of hypothetical Example 21 was considered ineligible, and claim 2 was considered eligible. Claim 1 recited "comparing and formatting information for transmission," which could be performed mentally, and thus directed to an abstract idea. July 2015 Examples 3. The additional

limitations of hypothetical claim 1 did not amount is significantly more than the abstract idea. *Id.* at 4. Conversely, hypothetical claim 2 of Example 21 was similarly directed to an abstract idea (*id.*), but the limitations related to "transmitting [an] alert over a wireless communication channel to activate the stock viewer application, which causes the alert to display and enables the connection of the remote subscriber computer to the data source over the Internet when the remote subscriber computer comes online" were considered by the USPTO to "add more than generally linking the use of the abstract idea (the general concept of organizing and comparing data) to the Internet, because they solve an Internet-centric problem with a claimed solution that is necessarily rooted in computer technology, similar to the additional elements in *DDR Holdings*." *Id*. Here, claim 1 contains no comparable limitation as hypothetical claim 2 and is similar to hypothetical claim 1. Further, as discussed above, claim 1 does not solve a problem specifically arising in the realm of computer networks with a solution necessarily rooted in computer technology.

Example 25 is based on *Diehr*, which involved the use of mathematical equations in operation of a rubber molding press to cure raw rubber into a product that retains its shape. In *Diehr*, the claimed invention improved the operation of a rubber molding press by taking measurements, and feeding those measurements into a digital computer that repeatedly recalculates the cure time based on the Arrhenius equation, resulting in a transformation of raw rubber to a molded, rubber product. *Diehr*, 450 U.S. at 177–179, 184. The Appellant contends that claim 1 here similarly "uses an algorithm to provide valuations for civil cases . . . [and] makes possible a result not possible before or in the absence of the computer-implemented

and data network supported solution described by the specification." Appeal Br. 24. However, merely using an algorithm for a computer-based engagement and valuation (*see id.*) is not transforming the data from one form to another, such as a molded product, and is not patent eligible, as the Supreme Court made clear in *Benson*, 409 U.S. at 71–72. In contrast to the situation in *Diehr*, applying the Appellant's claimed steps (e.g., communicating, generating, computing, and adjusting data) does not result in any analogous transformation of matter from one state (i.e., raw rubber) to another (i.e., a molded product) or to an improvement in a technical field (i.e., precision rubber molding). Simply outputting the users' input into a printout or electronic file (*see* Appeal Br. 25) does not transform the data, but is a post-solution activity of outputting of the results of calculations. *See Bilski*, 561 U.S. at 610–11 ("*Flook* stands for the proposition that the prohibition against patenting abstract ideas 'cannot be circumvented by attempting to limit the use of the formula to a particular technological environment' or adding 'insignificant postsolution activity.'") (quoting *Diehr*, 450 U.S. at 191–92); *Elec. Power Grp.*, 830 F.3d at 1354 ("[W]e have recognized that merely presenting the results of abstract processes of collecting and analyzing information, without more (such as identifying a particular tool for presentation), is abstract as an ancillary part of such collection and analysis.").

Regarding the Appellant's references to *McRO, Inc. v. Bandai Namco Games Am. Inc.*, 837 F.3d 1299 (Fed. Cir. 2016) (*see* Appeal Br. 12–13, 17–19; Reply Br. 1–6, 8), the claims there are directed to a specific improvement in computer technology. The recited steps in claim 1 are distinguishable from the steps in *McRO* found to make the claim patent

eligible. In *McRO*, the court found that, while the *McRO* claims involved the manipulation of data, e.g., generating morph weight sets to animate lip and facial expressions of three-dimensional characters, the claimed "automation goes beyond merely 'organizing [existing] information into a new form' or carrying out a fundamental economic practice." *McRO*, 837 F.3d at 1315 (citation omitted). Instead, the court found that the "claimed process uses a combined order of specific rules that renders information into a specific format that is then used and applied to create desired results: a sequence of synchronized, animated characters." *Id.* *McRO* found that the recited rules "are limiting in that they define morph weight sets as a function of the timing of phoneme sub-sequences." *Id*. at 1313. The claims were found to be directed to a "technological improvement over the existing, manual 3-D animation techniques." *Id*. at 1316. In finding the claims patent-eligible, *McRO* noted that the "abstract idea exception has been applied to prevent patenting of claims that abstractly cover results where 'it matters not by what process or machinery the result is accomplished.' [*O'Reilly v. Morse*, 56 U.S. (15 How.) 62, 113 (1853)]; *see also Mayo*, 132 S. Ct. at 1301 [566 U.S. at 85]." *McRO*, 837 F.3d at 1314. Here, the steps are not limited to how they are accomplished, but rather recite the result of whatever process is used to communicate, generate, compute, and adjust data of litigation valuation. As discussed above, these limitations say little about how these functions are performed. *Cf. SAP Am.*, 898 F.3d at 1167 (explaining that the claims in *McRO* "avoided being 'abstract' in another sense reflected repeatedly in our cases" because "they had the specificity required to transform a claim from one claiming only a result to one claiming a way of achieving it"). Further, as discussed above, there is no

such improvement to technology or a technological process. And, the Appellant does not direct our attention to anything in the Specification to indicate that the invention provides a *technical* improvement in the communicating, generating, computing, or adjusting of data or that claim 1 incorporates rules to automate a subjective task of humans for an improvement to a technical field, similar to those in *McRO*.

Similarly, the Appellant's reliance on *Amdocs (Israel) Ltd. v. Openet Telecom, Inc.*, 841 F.3d 1288 (Fed. Cir. 2016) (*see* Appeal Br. 14) is misplaced. In *Amdocs*, the Federal Circuit held the claim was patent eligible because the claim entailed an unconventional technological solution (enhancing data in a distributed fashion) to a technological problem (massive record flows which previously required massive databases). Although the solution required generic components, the court adopted the district court's interpretation of the claim term "enhance," stating, it approved "reading the 'in a distributed fashion' and the 'close to the source' of network information requirements into the term 'enhance,'" and determined that "the claim's enhancing limitation necessarily requires that these generic components operate in an unconventional manner to achieve an improvement in computer functionality" and that the "enhancing limitation depends not only upon the invention's distributed architecture, but also depends upon the network devices and gatherers—even though these may be generic—working together in a distributed manner." *Amdocs*, 841 F.3d at 1300–01. Here, there is no similar evidence that the architecture of a data or internet connection and a user device or server is comparable to the components in *Amdocs* or otherwise establishes that the connection or device operates in an unconventional manner.

Accordingly, we conclude claim 1 does not contain an element that imposes a meaningful limit on the abstract idea that integrates the abstract idea into a practical application.

Thus, we are not persuaded of error in the Examiner's determination that claim 1 is directed to an abstract idea.

Step Two of the Mayo/Alice Framework

Under the second step in the *Alice* framework (corresponding to Step 2B of the 2019 Revised Guidance), we find supported the Examiner's determination that claim 1's limitations, taken individually or as an ordered combination, do not amount to significantly more than the judicial exception. Final Act. 5–14; Ans. 21–22.

The Appellant contends that claim 1 includes an inventive concept in providing a technological solution to a problem. *See* Appeal Br. 9, 10, 12, 16, 18–19, 22, 25. When viewed through the lens of the 2019 Revised Guidance, the Appellant argues that claim 1 recites additional elements that amount to significantly more than the abstract idea. *See* 84 Fed. Reg. at 56. For the reasons discussed above, we disagree that claim 1 provides a technological solution to a technological problem.

We note that, as discussed above, the claim simply recites the functional results to be achieved and that the method is "computer-implemented," but does not recite the functions being performed by a computer. The claim "provides only a result-oriented solution[] with insufficient detail for how a computer accomplishes it. Our law demands more." *Intellectual Ventures I LLC v. Capital One Fin. Corp.*, 850 F.3d 1332, 1342 (Fed. Cir. 2017). Taking the claimed elements separately, the functions that could be performed by a computer are purely conventional.

The computer that would implement the method is a conventional computing device (*see supra*) and operates in its ordinary and conventional capacities to perform the well-understood, routine, and conventional functions of communicating over a network, generating a data tree, computing a valuation, and adjusting the valuations. *See Elec. Power Grp.*, 830 F.3d at 1355 (receiving , sending, monitoring, analyzing, selecting, and presenting information does not transform the abstract process into a patent-eligible invention); *SAP Am.*, 898 F.3d at 1167, 1169–70 ("selecting certain information, analyzing it using mathematical techniques, and reporting or displaying the results of the analysis" were "basic functions" of a computer); *Alice*, 573 U.S. at 226 ("Nearly every computer will include a 'communications controller' and 'data storage unit' capable of performing the basic calculation, storage, and transmission functions required by the method claims.").

Considered as an ordered combination, the components of the Appellant's claim add nothing that is not already present when the steps are considered separately. The sequence of receiving data (i.e., communicating data), organizing data (i.e., generating a decision tree), and analyzing the data (i.e., computing and adjusting the valuations) is equally generic and conventional or otherwise held to be abstract. *See Elec. Power Grp.*, 830 F.3d at 1354–56 (holding that the sequence of receiving and analyzing data, and displaying the results in real-time was abstract); *SAP Am.*, 898 F.3d at 1170 (holding that selecting information, analyzing it, and displaying the results of the analysis was abstract).

To the extent the Appellant argues that the claim is significantly more than the abstract idea because the claim is novel (*see* Appeal Br. 13–15 ("**the**

claimed invention enables new legal solutions", "the inventive concept is a *new* system organizing inputs")), an abstract idea does not transform into an inventive concept just because it may be novel. *See Mayo*, 566 U.S. at 78. Further, "[g]roundbreaking, innovative, or even brilliant discovery does not by itself satisfy the § 101 inquiry." *Ass'n for Molecular Pathology v. Myriad Genetics, Inc.*, 569 U.S. 576, 591 (2013). Indeed, "[t]he 'novelty' of any element or steps in a process, or even of the process itself, is of no relevance in determining whether the subject matter of a claim falls within the § 101 categories of possibly patentable subject matter." *Diehr*, 450 U.S. at 188–89; *see also Mayo*, 566 U.S. at 91 (rejecting "the Government's invitation to substitute §§ 102, 103, and 112 inquiries for the better established inquiry under § 101").

> We also find unpersuasive of error the Appellant's arguments that here, the claim is so narrow that even if the patent were granted, there would be no infringement when others use probability theory and other approaches to case valuation (such as averaging past results of similar causes of action), no infringement by using communicative technologies to negotiate and mediate cases, and no infringement by having a decision tree case valuation offer for purposes of legal settlement

(Appeal Br. 13) and "no current business practice that would be prohibited or covered if the patent were here granted" (*id.* at 15). Although the Supreme Court has described "the concern that drives this exclusionary principle [i.e., the exclusion of abstract ideas from patent eligible subject matter] as one of pre-emption," (*see Alice*, 573 U.S. at 216), characterizing pre-emption as a driving concern for patent eligibility is not the same as characterizing pre-emption as the sole test for patent eligibility. "The Supreme Court has made clear that the principle of preemption is the basis

for the judicial exceptions to patentability" and "[f]or this reason, questions on preemption are inherent in and resolved by the § 101 analysis." *Ariosa Diagnostics, Inc. v. Sequenom, Inc.*, 788 F.3d 1371, 1379 (Fed. Cir. 2015) (citing *Alice*, 573 U.S. at 216–17). Although "preemption may signal patent ineligible subject matter, the absence of complete preemption does not demonstrate patent eligibility." *Id.* The aforementioned concept is not sufficiently limiting so as to fall clearly on the side of patent-eligibility.

Thus, we are not persuaded of error in the Examiner's determination that the limitations of claim 1 do not transform the claims into significantly more than the abstract idea. For the same reasons, we also are not persuaded of error in the Examiner's rejection of independent claim 14. *See* Appeal Br. 29 (relying on the arguments presented for claim 1); *Alice*, 573 U.S. at 226 (the system and medium claims "are no different from the method claims in substance").

For dependent claims 2–4, 6, 7, and 15–24, the Appellant relies on the arguments presented for claim 1 (*see* Appeal Br. 26–34), that are not persuasive of Examiner error. The Appellant further recites the limitations of each claim and argues that each claim adds elements that allow the claimed invention to "pass statutory muster" or "muster under the federal appellate court's guidance." *Id.* at 26–34. Dependent claims 2, 4, 7, 15, 17, and 20–24 further narrow the analysis of and data used in the computations of valuations. Dependent claims 3, 6, 18, and 19 add further functions of displaying the decision tree, results of the computations, and timeline data (claims 3 and 16), of determining statistics (claims 6 and 19), and of presenting examples, eliciting input, and comparing data (claim 18). None of these provides a technological improvement, but further elaborate on the

abstract idea. Any improvements are in the abstract idea itself. *See, e.g.*, Appeal Br. 26, 30 (claims allow parties and showing computations to demonstrate good faith efforts in negotiations), 27 ("[b]y incorporating the intermediate and final calculations, a record is made to facilitate approval by the district court and affirmance by the appellate court"), 28–29 (claims allow parties to see the view underlying the offer), 29 ("certain types of claims or causes of action can be determined to have certain values and probability outcomes"), (claim "allows valuation of cases with claims and counter-claims"), 33 (claim "adds the ability to more accurately value cases in jurisdictions involving high rates of prejudgment or postjudgment interest"), 34 (claim "extends the ability of parties to collaborate to settle the claims to any interest rate environment").

For at least the reasons above, we sustain the Examiner's rejection under 35 U.S.C. § 101 of independent claims 1 and 14 and of dependent claims 2–4, 6, 7, and 15–24.

Obviousness

Claims 1, 2, 4, 6, 14, 15, 17–19, and 21–24

The Appellant appears to group claims 1, 2, 4, 6, 14, 15, 17–19, and 21–24 together. *See* Appeal Br. 37–40, 43–44 (summarizing arguments for claims 1 and 14). We thus group these claims together and select claim 1 as representative of this group, with claims 2, 4, 6, 14, 15, 17–19, and 21–24 standing or falling therewith. *See* 37 C.F.R. § 41.37(c)(1)(iv).

The Appellant first contends that the Examiner's rejection of claim 1 as obvious over Porter is in error because Porter's description is non-enabling. *See* Appeal Br. 37–39; *see also* Reply Br. 8. However, "[w]hile a

reference must enable someone to practice the invention in order to anticipate under § 102(b), a non-enabling reference may qualify as prior art for the purpose of determining obviousness under § 103." *Symbol Techs., Inc. v. Opticon, Inc.*, 935 F.2d 1569, 1578 (Fed. Cir. 1991); *see also Amgen Inc. v. Hoechst Marion Roussel, Inc.*, 314 F.3d 1313, 1357 (Fed. Cir. 2003) ("Under § 103, however, a reference need not be enabled; it qualifies as a prior art, regardless, for whatever is disclosed therein."). Thus, we are not persuaded of Examiner error in this argument.

The Appellant further contends that "Porter does not teach or suggest a collaborative process by which negotiators, mediators, attorneys, clients, and insurance adjustors can reach a consensus on case valuation, regardless of the procedural posture of the case and even if all participants are geographically or physically dispersed." Appeal Br. 39. Specifically, the Appellant argues that "Porter expressly contemplates a single user for the valuation process" (*id*. (citing Porter ¶ 25)) and that "Porter does not account for appeals or remands following appeals . . . [and thus,] does not even purport to be applicable to every stage of a civil legal proceeding as the currently claimed invention can" (*id.* at 40). After careful review of the arguments presented in the Appeal and Reply Briefs, we disagree.

Instead, we agree with, and adopt, the Examiner's findings and rationales as our own. *See* Final Act. 15–18; Ans. 26–30. We add the following discussion for emphasis.

The Examiner finds that Porter teaches the limitations of claim 1 of communicating over a network between two or more users who can provide input, generating a decision tree, computing a valuation for each outcome resulting from issues of law and various other issues, adjusting the

valuations, and computing a final expected value. *See* Final Act. 15 (citing Porter ¶¶ 3, 15, 16, 19, 20, 23, 24, 26, 27, 30, 34, 42, Figs. 3, 4A, 4B). The Examiner acknowledges that although Porter teaches a user adding additional dollar amounts, "e.g., sunk costs," Porter does not expressly teach the adjusting including expenses of attorney fees and costs and the optional limitation of whether the fees are reciprocal, shifting, or not subject to shifting, and issues related to credibility, authenticity, weights of evidence, and estimates of money damages. *Id.* However, the Examiner finds that Porter teaches a decision tree with various nodes corresponding to different scenarios, such as ones in which the defendant is liable, the defendant is not liable, and the case is dismissed. *Id.* at 17 (citing Porter ¶ 31). The Examiner also finds that "Porter further teaches considering various type of damages, including Economic Damages (e.g., Past/Future Medical Expenses); Non-Economic Damages (e.g., Pain and Suffering); and Punitive Damages," that ranges for each type of damage may be "captured and used to calculate case value," and that "[d]amage questions may be customized by the user to include past wages, attorney fees, etc." *Id.* (citing Porter ¶ 33). The Examiner further finds that Porter teaches "that it may be necessary to change the formula used to calculate the case value based on the types of damages" (*id.* (citing Porter ¶ 35)), determining that Porter "thereby suggest[s] various additional issues for which the final outcome can be adjusted and calculated" (*id.*). The Examiner determines that it would have been obvious to one of ordinary skill to modify Porter's adjustments to include the specific recited variables, "as suggested in Porter, because it would advantageously allow to analyze a litigation case and calculate a case

value for the litigation case based on the plurality of estimated financial damages, as specifically disclosed in Porter (Abstract)." *Id.*

We determine the Examiner has established a prima facie case of obviousness as the Examiner has provided articulated reasoning with rational underpinning to support a legal conclusion of obviousness. *See KSR Int'l Co. v. Teleflex Inc.*, 550 U.S. 398, 418 (2007). Therefore, the burden shifts to the Appellant to rebut the Examiner's prima facie case by distinctly and specifically pointing out the supposed errors in the Examiner's action, as well as the specific distinctions believed to render the claims patentable over the applied references.

The Appellant does not present specific argument why the Examiner's findings and reasoning as described in the Answer are incorrect. For example, the Appellant does not address why the Examiner's findings that Porter teaches: (1) rules governing case valuation (*see* Ans. 26–27); (2) the required limitations "that various users can communicate over the Internet to provide input into the legal case valuation process" (*id.* at 28–30); and (3) "a collaborative process in which various users can communicate over the Internet to provide input to the legal case valuation process at any stage of the litigation" (*id.* at 30) are incorrect. Rather, the Appellant simply asserts "the Answer does not identify any prior art that (1) even purports to value a civil case at any stage of the legal proceedings, (2) dramatically improves on the accuracy of the valuations by accounting for the time value of money, attorney fee-shifting provisions, litigation and appeal bonds, or requirements for settling class action lawsuits, or (3) yields a legally enforceable result," without further explanation. Reply Br. 8. We note that claim 1 does not recite limitations of improving the accuracy or yielding an enforceable

result, and the Appellant does not argue against the Examiner's finding that Porter values civil legal cases. *See* Final Act. 15–16; Porter ¶ 15 (noting the application to personal injury and patent litigation).

As such, we are not persuaded that the Examiner erred in the rejection claim 1 as obvious of Porter. Thus, we sustain the obviousness rejection of independent claim 1 and of claims 2, 4, 6, 14, 15, 17–19, and 21–24, the rejection of which stands with claim 1.

Claims 3 and 16

The Appellant contends that the Examiner's rejection of claims 3 and 16 is in error because "[t]he proposed modification of Porter by Biederman would render Porter unsatisfactory for its intended purpose, with the result that there is no motivation to modify Porter with Biederman." Appeal Br. 40. Specifically, the Appellant argues that Biederman's mention of a timeline is indefinite and "serves the purpose of listing documents and events for a database management system so that it does not correspond to factors that determine the probabilistic and collaborative valuation of cases in this invention." *Id.*; *see also id.* at 41–42. We disagree.

Instead, we agree with, and adopt, the Examiner's findings and rationales as our own. *See* Final Act. 22–23; Ans. 30–32. We add the following discussion for emphasis.

The Appellant does not present specific argument why the Examiner's findings and reasoning are incorrect. Although the Appellant argues that Biederman is only a database management system that "involves a timeline of litigation that has nothing to do with risk analysis or case valuation" (Reply Br. 8), the Appellant does not provide reasoning why the Examiner's explanations as to how and why Biederman relates to and can be combined

with Porter to teach the claimed invention (*see* Ans. 30–31) are in error. And we note that Biederman is in the same field of endeavor as the claimed invention of managing and evaluating litigation expenses. *See* Biederman, Abstract.

As such, we are not persuaded that the Examiner erred in the rejection claims 3 and 16 as obvious of Porter and Biederman. Thus, we sustain the obviousness rejection dependent claims 3 and 16

Claims 7 and 20

The Appellant contends that the Examiner's rejection of claims 7 and 20 is in error because "[t]he proposed modification of Porter by Derry would render Porter unsatisfactory for its intended purpose, with the result that there is no motivation to modify Porter with Derry." Appeal Br. 42. Specifically, the Appellant argues that Derry's system of managing costs of litigation "does not provide any information or acknowledgment of how the filing of a pleading might affect case valuation." *Id.*; *see also id.* at 43. We disagree.

Instead, we agree with, and adopt, the Examiner's findings and rationales as our own. *See* Final Act. 23–24; Ans. 32–34. We add the following discussion for emphasis.

The Appellant does not present specific argument why the Examiner's findings and reasoning are incorrect. Although the Appellant argues that "Derry provides nothing more than a system to manage the litigation by providing the user with steps to take in filing legal documents and reducing litigation costs" (Reply Br. 8), the Appellant does not provide reasoning why the Examiner's explanation as to how and why Derry relates to and can be combined with Porter to teach the claimed invention (*see* Ans. 32–34) is in

error. And we note that Derry is in the same field of endeavor as the claimed invention of managing and evaluating litigation expenses. *See* Derry, Abstract.

As such, we are not persuaded that the Examiner erred in the rejection claims 7 and 20 as obvious of Porter and Derry. Thus, we sustain the obviousness rejection dependent claims 7 and 20.

CONCLUSION

The Examiner's decision to reject claims 1–4, 6, 7, and 14–24 is sustained.

DECISION SUMMARY

In summary:

Claims Rejected	**35 U.S.C. §**	**Reference(s)/Basis**	**Affirmed**	**Reversed**
1–4, 6, 7, 14–24	112(b)	Indefiniteness	1–4, 6, 7, 14–24	
1–4, 6, 7, 14–24	101	Eligibility	1–4, 6, 7, 14–24	
1, 2, 4, 6, 14, 15, 17–19, 21–24	103	Porter	1, 2, 4, 6, 14, 15, 17–19, 21–24	
3, 16	103	Porter, Biederman	3, 16	
7, 20	103	Porter, Derry	7, 20	
Overall Outcome			1–4, 6, 7, 14–24	

TIME PERIOD FOR RESPONSE

No time period for taking any subsequent action in connection with this appeal may be extended under 37 C.F.R. § 1.136(a). *See* 37 C.F.R. § 1.136(a)(1)(iv).

AFFIRMED